



House of Representatives

General Assembly

File No. 63

January Session, 2009

House Bill No. 5400

House of Representatives, March 16, 2009

The Committee on General Law reported through REP. SHAPIRO of the 144th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING THE DISCLOSURE OF LEASED ITEMS IN REAL ESTATE TRANSACTIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-327b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective January 1, 2010*):

3 (a) Except as otherwise provided in this section, each person who
4 offers residential property in the state for sale, exchange or for lease
5 with option to buy, shall provide a written residential condition report
6 to the prospective purchaser at any time prior to the prospective
7 purchaser's execution of any binder, contract to purchase, option, or
8 lease containing a purchase option. A photocopy, duplicate original,
9 facsimile transmission, or other exact reproduction or duplicate of the
10 written residential condition report containing the prospective
11 purchaser's written receipt shall be attached to any written offer,
12 binder or contract to purchase. A photocopy, duplicate original,
13 facsimile transmission or other exact reproduction or duplicate of the
14 written residential condition report containing the signatures of both

15 seller and purchaser, shall be attached to any agreement to purchase
16 the property.

17 (b) The following shall be exempt from the provisions of this
18 section: (1) Any transfer from one or more co-owners solely to one or
19 more of the co-owners; (2) transfers made to the spouse, mother,
20 father, brother, sister, child, grandparent or grandchild of the
21 transferor where no consideration is paid; (3) transfers pursuant to an
22 order of the court; (4) transfers of newly-constructed residential real
23 property for which an implied warranty is provided under chapter
24 827; (5) transfers made by executors, administrators, trustees or
25 conservators; (6) transfers by the federal government, any political
26 subdivision thereof or any corporation, institution or quasi-
27 governmental agency chartered by the federal government; (7)
28 transfers by deed in lieu of foreclosure; (8) transfers by the state of
29 Connecticut or any political subdivision thereof; (9) transfers of
30 property which was the subject of a contract or option entered into
31 prior to January 1, 1996; and (10) any transfer of property acquired by
32 a judgment of strict foreclosure or by foreclosure by sale or by a deed
33 in lieu of foreclosure.

34 (c) The provisions of this section shall apply only to transfers by
35 sale, exchange or lease with option to buy, of residential real property
36 consisting of not less than one nor more than four dwelling units
37 which shall include cooperatives and condominiums, and shall apply
38 to all transfers, with or without the assistance of a licensed real estate
39 broker or salesperson, as defined in section 20-311.

40 (d) (1) The Commissioner of Consumer Protection, shall, by
41 regulations adopted in accordance with the provisions of chapter 54,
42 prescribe the form of the written residential disclosure report required
43 by this section and sections 20-327c to 20-327e, inclusive. The
44 regulations shall provide that the form include information concerning
45 municipal assessments, including, but not limited to, sewer or water
46 charges applicable to the property. Such information shall include: (A)
47 Whether such assessment is in effect and the amount of the

48 assessment; (B) whether there is an assessment on the property that
49 has not been paid, and if so, the amount of the unpaid assessment; and
50 (C) to the extent of the seller's knowledge, whether there is reason to
51 believe that the municipality may impose an assessment in the future.

52 (2) Such form of the written residential disclosure report shall
53 contain the following:

54 (A) A certification by the seller in the following form:

55 "To the extent of the seller's knowledge as a property owner, the
56 seller acknowledges that the information contained above is true and
57 accurate for those areas of the property listed. In the event a real estate
58 broker or salesperson is utilized, the seller authorizes the brokers or
59 salespersons to provide the above information to prospective buyers,
60 selling agents or buyers' agents.

T1 (Date) (Seller)
T2 (Date) (Seller)"

61 (B) A certification by the buyer in the following form:

62 "The buyer is urged to carefully inspect the property and, if desired,
63 to have the property inspected by an expert. The buyer understands
64 that there are areas of the property for which the seller has no
65 knowledge and that this disclosure statement does not encompass
66 those areas. The buyer also acknowledges that the buyer has read and
67 received a signed copy of this statement from the seller or seller's
68 agent.

T3 (Date) (Seller)
T4 (Date) (Seller)"

69 (C) A statement concerning the responsibility of real estate brokers
70 in the following form:

71 "This report in no way relieves a real estate broker of the broker's
72 obligation under the provisions of section 20-328-5a of the Regulations

73 of Connecticut State Agencies to disclose any material facts. Failure to
74 do so could result in punitive action taken against the broker, such as
75 fines, suspension or revocation of license."

76 (D) A statement that any representations made by the seller on the
77 written residential disclosure report shall not constitute a warranty to
78 the buyer.

79 (E) A statement that the written residential disclosure report is not a
80 substitute for inspections, tests and other methods of determining the
81 physical condition of property.

82 (F) Information concerning environmental matters such as lead,
83 radon, subsurface sewage disposal, flood hazards and, if the residence
84 is or will be served by well water, as defined in section 21a-150, the
85 results of any water test performed for volatile organic compounds
86 and such other topics as the Commissioner of Consumer Protection
87 may determine would be of interest to a buyer.

88 (G) A statement that information concerning the residence address
89 of a person convicted of a crime may be available from law
90 enforcement agencies or the Department of Public Safety and that the
91 Department of Public Safety maintains a site on the Internet listing
92 information about the residence address of persons required to register
93 under section 54-251, 54-252, 54-253 or 54-254, who have so registered.

94 (H) A statement listing all leased appliances and other leased items
95 on the premises, including, but not limited to, propane tanks and
96 security system hardware.

97 (e) On or after January 1, 1996, the Commissioner of Consumer
98 Protection shall make available the residential disclosure report
99 prescribed in accordance with the provisions of this section and
100 sections 20-327c to 20-327e, inclusive, to the Division of Real Estate, all
101 municipal town clerks, the Connecticut Association of Realtors, Inc.,
102 and any other person or institution that the commissioner believes
103 would aid in the dissemination and distribution of such form. The

104 commissioner shall also cause information concerning such form and
105 the completion of such form to be disseminated in a manner best
106 calculated, in the commissioner's judgment, to reach members of the
107 public, attorneys and real estate licensees.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>January 1, 2010</i>	20-327b
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GL *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

OLR Bill Analysis**HB 5400*****AN ACT CONCERNING THE DISCLOSURE OF LEASED ITEMS IN REAL ESTATE TRANSACTIONS.*****SUMMARY:**

This bill requires the written residential condition report used in residential real estate transactions to include a statement listing all leased items on the residential property, including propane tanks and security system hardware.

EFFECTIVE DATE: January 1, 2010

BACKGROUND***Residential Condition Report***

State law requires real estate sellers to give prospective purchasers a residential condition report before the binder or contract is executed in a residential real estate transaction (i.e., sale, exchange, or lease with option to buy). The report discloses information about the property and environmental matters, such as lead and radon (CGS § 20-327b).

Related Bills

The Insurance and Real Estate Committee favorably reported sHB 6114, which requires residential condition reports to include a statement that a person may contact the town clerk for compliance requirements for historic the property or property located in a historic district or village.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 15 Nay 2 (03/03/2009)